Chapter 4C. Outside Funds – 425/416/417
## Trust Funds and Reimbursable Agreements

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The first step in the project documentation process for soft funds (incoming funds other than appropriated funds) is an ARS-425 "Authorization to Apply For and Use Funds from an Outside Sources." Regardless of the source of funds or the dollar amount, only the completion of the ARS-425 is required until funding is awarded. Once funding is awarded the AD-416/417 is required if over $25,000 and research related.

Entering New Projects

A new ARS-425 should be established as soon as the scientist knows they will be sending a funding proposal to an outside source. Approval *must* always be received prior to sending out the proposal.

To enter a new ARS-425, from the "Research Documentation" screen, click on "Work" and "425" from the toolbar (fig. 1).
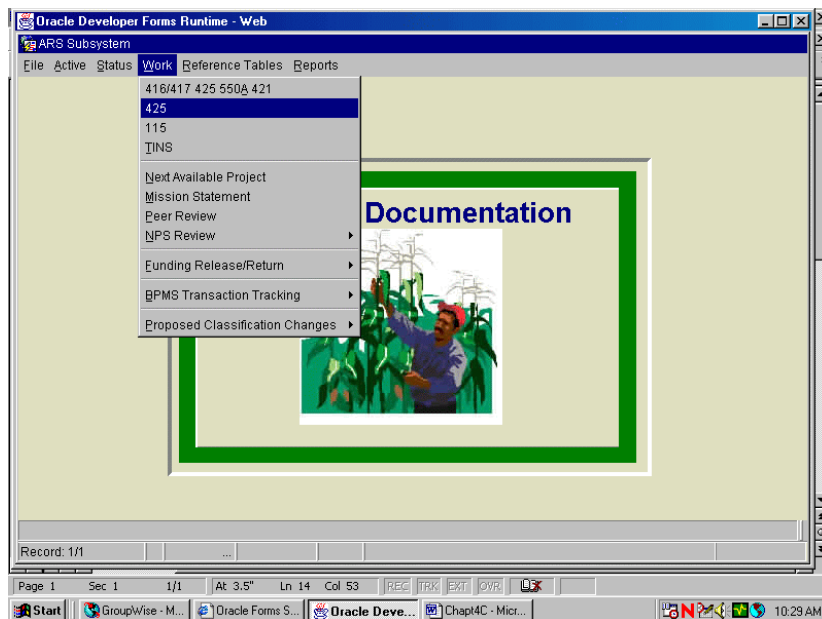
(Fig. 1)

The Work 425 List screen will be displayed (fig. 2). If any records are currently in your 425 work file, they will be displayed here. To add a new 425, click on the "Add 425" button at the bottom of the screen. A blank 425 work screen will be displayed (fig. 3). The Log Number is a unique number for each 425 and will be inserted by the system.

(Fig. 2)

(Fig. 3)

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Begin entering the data (fig. 3). Wherever there is a drop down menu "▼" or a "?", **the data should be chosen from the drop down listing provided**.

Note: The status for all new projects should be "Pending."

Once all data has been entered on the Project Info screen, click on the SOF/Funds tab to move to the next data entry screen (fig. 4).

(Fig. 4)

On the SOF/Funds screen, the Source of Funds (SOF) code should be chosen from the listing provided when clicking on the "?". The system will automatically enter the type of organization, description and IPSC category based on the SOF chosen.   Enter the IPSC information if necessary (see "Helpful Information" at the end of the chapter for more information and explanation of IPSC).

If IPSC is designated as "Can Request Waiver", then the Requesting Waiver field must be filled in. If requesting a waiver, choose "Exempt from Overhead" and then the "Why Requesting Waiver" field must also be filled in. If the IPSC is designated as "Never Waived" or "Always Waived," then no information can be entered in the Requesting Waiver field or the Why Requesting Waiver field. *Note: If the funding level is $5,000 or less, the IPSC will always be waived.*

Next, enter the funding information accordingly.

NOTE: No Permanent Category 1 or 4 scientists should be funded by soft funding.
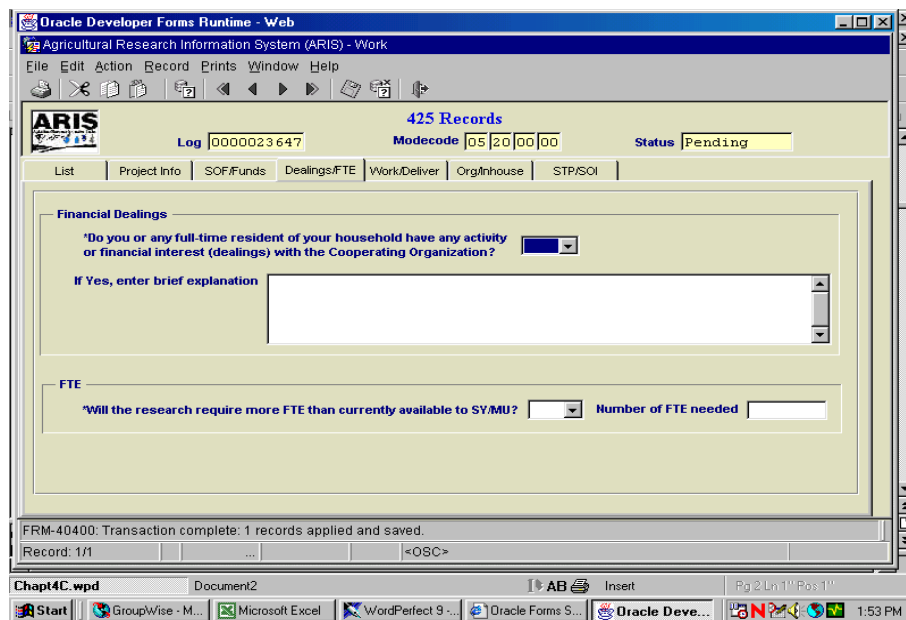
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If funding is entered in Other Federal Salaries, the ARS FTE section must be filled in. **Remember:** if the funding entered is for a specific time period, then the FTE should be for the same time period. (Ex. If funding is entered for three years and one support person is on the project for 1.0 FTE/year, then the ARS FTE should be 3.0.)

The three Proposed dollar amount fields will be filled in by the system based on the funding entered in each of the "How are funds to be used" categories.

Once all fields are complete, click on the Dealings/FTE tab to go to the next screen. The Dealings screen will be displayed (fig. 5).

For Services Only Agreements:

The SOF/Funds screen is the last screen of information required for a Services Only 425. Once the data is entered, click on the List tab to return to the Work List screen. Obtain approval based on your Area approval process.

(Fig. 5)

For all other 425s:

Answer the Financial Dealings question(s) and FTE questions accordingly. Once both questions have been answered, click on the Work/Deliver tab to move to the next data entry screen (Fig. 6).

On the Work/Deliver screen, the title, type of work to be performed and deliverables are entered (fig. 6).

For "Work to be Performed", the options include In-house, Extramural or Both. In-house means that all the work for this agreement will be done inhouse. Extramural means that the work will be done outside of ARS, via another agreement. Both means that some work will be done in-house and some will be done outside of ARS via another agreement. If Extramural or Both is chosen, the Extramural Agreement Type must be filled in. If in-house is chosen, the Extramural Agreement Type must be left blank.

(Fig. 6)

Once all fields are completed, click on the Org/In-house tab to move to the next screen.

On the top half of the Org/In-house screen, if work is to be done either Extramural or Both, the Principal Performing Organization must be filled in (fig. 7). Select the Organization from the drop down menu by clicking on the "?". Once the appropriate organization code is selected, the system will fill in the name, city and state. Enter the Extramural dollar amount and what the extramural portion of the funding will be used for. *If there are multiple Performing Organizations, this information can be inserted in the "If part or all of funds will be used for Extramural Research" field.*

NOTE: The Principal Performing Organization on this screen must NEVER be ARS.

Next, select the related in-house project number by clicking on the "?" next to the Project No. field. Once the project is selected, the system will fill in the title.

(Fig. 7)

After all fields are completed, click on the STP/SOI tab to move to the coding screen (fig. 8).

On the STP/SOI screen (fig. 8), the SOI codes and STP codes must be chosen from the related in-house project which was chosen on the previous screen. To select the codes, click on the "?" next to each line and the possible code options will be displayed (fig. 9).

(Fig. 8)

Highlight the appropriate SOI code and click on OK. If more than one code is needed, continue the same process for Code 2, 3, and 4 until complete. Do the same for STP codes.

(Fig. 9)

Once all codes are entered, click on the List tab and the system will bring you back to the list screen. The 425 will now be listed on the screen.

Approval

Obtain the appropriate approvals according to your Area's policies. Once approval is obtained, enter the appropriate signatures on the Signature screen (fig. 10) to move the 425 along in the approval process. (Follow Chapter 4a for signature/approval instruction).

(Fig. 10)

Additional Documentation Required
Upon Notification of Funding

Service Only Agreements:
No further ARIS project documentation is required. A 416/417 will never be required for a Services Only. (Note: for Services Only, the research information portion of the 425 is not required).

Research Agreements less than or equal to $25,000:
No further ARIS project documentation is required. However, if at some later time additional funding is added to the project which causes the total to exceed $25,000, an AD-416/417 will be required at that time.

Research Agreements over $25,000:
Completion of the AD-416/417 is required before the ABFO can post the funds to the project. The AD-416/417 cannot be completed until the 425 has been approved in the ARIS system.

Attaching the 416/417 to a 425

Once notification of funding has been received for a 425 over $25,000 and research related, the 416/417 must be attached to the 425.

In order to add the 416/417, a work record of the 425 must be created. Go to the Active 425 file and search and retrieve the appropriate 425. Mark the 425 and click on "Action" and "Create Work Records" from the toolbar. The system will prompt you to make sure you really want to create a work record. Click Yes and the work record will be created. Exit out of Active and go to your 425 work file.

Highlight the 425 that needs the 416/417 added and click on the "Add 416" button at the bottom of the screen (fig. 1).

(Fig. 1)

The 416 Project Info screen will be displayed (fig. 2). Some information will propagate directly from the 425. Enter the rest of the information required on the Project Info screen.

Part of the project number will be inserted based on the related in-house project from the 425. Fill in the remainder of the project number. Use Next Available Project Number (see Chapter 6), to ensure a unique number is used.

(Fig. 2)

Fill in the remaining sections of the Project Info screen. When complete, continue adding the information on the remaining screens. (See chapter 4a for adding a 416/417).

Data Entry Notes:
- Project Start should always be "External Funding 425" on all (R)eimbursable or (T)rust projects. (CRADAs are always designated as Trusts).
- Performing Institute (on the 416) must always be ARS for R or T projects.
- Always state the reason for the current action in the Remarks section on the Project Info screen (e.g., New Reimbursable Agreement funded by ..... for a three year period....)
- On the Investigator screen, add the Principal Investigator noted with the "P". Never add any SY time on R or T agreements. ARS scientists are fully funded with appropriated funds. There are, however, a few exceptions to this rule, so check with the Area Program Analysts if you have questions.

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Special Classification Coding:
- Use BARD code 100% for BARD projects
- Use CRG code 100% for CSREES Competitive Grants
- Use CRADA code 100% for CRADAs
- FBP and SA codes are required. There can be one to six Farm Bill (FBP) codes, and the combined total must equal 100%. Only one Sustainable Agriculture (SA) code is permitted and must equal 100%.
- If BRCOM is used, the certification line must be added to the approach section on the AD-416.

NOTE: The 416/417 is added to the 425 from the 425 work file. However, once complete and you exit out of the 425 work file, the 416/417/425 will then be automatically transferred into your 416/417 work file. Even if data entry is not complete and you exit out of your 425 work file, when you go back in, the 425 w/the portion of the added 416/417 will be in the 416/417 work file.

NOTE: The 416/417/425 will stay in pending status until the award date and agreement number are added and the first posting of funds takes place.

When all data entry is complete, follow your Area approval process.

Helpful Information

Log Number	The log number is a unique number for each 425 and is system generated.
Contact Person	Only Category 1 and 4 scientists can be listed as contact for all research proposals. Services only can have non-SYs listed as the Contact, i.e., Location Administrative Officer.
Type (investigator)	Identifies the Investigator type. **Principal:** Responsible for the project; **Co-Principal Investigator**: Shares responsibility for the project with another person, usually a non-ARS individual; **Secondary Investigator**: Has no responsibility for the completion of the project. Serves as an Ad Hoc advisor to the PI.
Purpose of Funds	**Research <=$25,000** - Total funding for the duration of the project will not exceed $25,000. Never requires an AD-416/417. **Research > $25,000** - Total funding for the duration of the project will exceed $25,000. Always requires an AD-416/417 which must be entered in ARIS before research begins and funds are committed to the project. **Service** - Never requires an AD-416/417. Must identify the type of service. **Research-No Funds to ARS** - This is to be used when scientists cooperate with non-ARS scientists on projects of mutual interest and funds do not enter the ARS accounting systems. No AD-416/417 is required. **Gifts -** Use for "unrestricted" gifts. Never requires an AD-416/417. **NOTE:** When research "<$25,000" total funding becomes ">$25,000", the "Purpose of Funds code will need to be changed and the AD-416/417 must be entered. The start date will default to the original start date.
Type of Agreement	**(R)eimbursable** - ARS will bill the funding source as costs are obligated on a timely basis; **(T)rusts** - ARS receives a check prior to the start of the project; **(C)RADA** - Funds are in support of a Cooperative Research and Development Agreement. NOTE: Use (R)eimbursable when purpose of funds is No Funds to ARS. All NRI-CGP agreements should be Trusts.

Types of Services Only	**Sale of Assets -** sale of property, i.e., animals, crops, etc.; **Quarters and Other Services** - housing and miscellaneous charges such as utilities available to employees on a reimbursable basis; **Space and Other Services** - Reimbursement of costs associated with space occupied by other agencies in ARS facilities. Other Services are utilities, hazardous waste clean-up, building and ground maintenance, etc.; **Travel** - Receipt of funds from an outside organization for travel expense of an ARS employee. In Kind travel does not require the 425. **Administrative Services** - Miscellaneous administrative services such as personnel, conferences, copier usage, etc. **NOTE: Only to be used with Purpose of Funds - Services.**
Remarks	Should briefly summarize reason for action. Used also to communicate any additional material not identified on the 425.
Source of Funds	Once the source of funds is chosen from the List of Values, the type of organization and description is automatically inserted by the system. (NOTE: If the source of funds required does not show in the List of Values, contact the Area Budget and Fiscal Officer who will establish the new code at NFC and in ARIS.)

Indirect Program Support Costs **(IPSC)**	Data from the Source of Funds Reference Table identifies if IPSC is taken, waived automatically, or if request for waiver can be made to BPMS. For No Funds to ARS projects, IPSC should be left blank. If designated as "**Can Request Waiver**," the "Requesting Waiver" field must be filled in with: one of the two options provided (OK to Take Overhead or Exempt from Overhead.) If Requesting Waiver, the "Why Requesting Waiver" field must be filled in. Be concise and explicit for the reason requesting the waiver. Refer to Policies and Procedures 329.5, section 4. BPMS will use the information in the IPSC fields to determine if IPSC should be taken or approve/disapprove the waiver request. If designated as "**Never Waived**" or "**Always Waived**" no information should be entered in the "Requesting Waiver" or "Why Requesting Waiver" fields. If the scientist feels that a request for a waiver of IPSC is necessary but the system states that the IPSC is never waived, a memo through supervisory channels to BPMS can be submitted since the request cannot be made through ARIS.
Financial Dealings	Answer the Financial Interest/Dealings question. If answer is yes, an explanation must be given in the space provided.
Date/End Dates	The proposed start and end dates should be entered. The system will calculate the duration. When the proposal is funded, the dates must be modified to reflect the actual start and end dates. Once approved and in the "Active File," the Start Date will become non-modifiable and will be the determining date for the 5-year maximum duration.

How are Funds to be Used?	**Cat 1 & 4 salaries:** Enter amount if SY's will receive salaries from these funds; **ONLY APPLICABLE** to Baylor and Tufts University. Category 1 & 4 field is always zero for all other ARS Locations; **Other Federal Salaries**: Used for salaries of hired ARS employees, i.e., postdocs, technicians. **RSA**: RSA salary and any other RSA costs are entered in this field. **Supplies**: used for supply costs; **Equipment**: used for equipment costs; **Travel:** Used for travel costs; **Other:** SCA salary and related costs, IPSC, publication costs, and other costs without a designated field are combined into this field. **NOTE:** If "No Funds to ARS", Leave these fields all blank. Prior Proposed, Proposed Amount and Total Proposed will be generated by the system. **ARS FTE:** Enter the number of ARS FTE who will be paid salaries from these funds. Do not include RSA FTE. If total dollar amount listed is for three years and will be for 2 FTE each year, then the ARS FTE should be listed as 6.
Require More FTE?	Answer whether the proposed research will require more FTE. If answer is Yes, indicate the additional required FTE. If the answer is No, leave the "*Number of FTE Needed*" field blank.
Value of Owned/ Controlled ARS Building/Land	The cost of the use of building and/or land is a real cost that is borne by each project. ARS can either ask the outside party to pay its fair share of those costs or ARS can consider those costs to be an in-kind contribution. In either case, those costs must be considered in developing a budget. First, estimate the percentage of ARS owned or controlled buildings and/or land to be used when performing the research/service; Second, find the amount budgeted for land and structures (Object Class 3200 on the approved ARMP) on the project associated with the research/service; Third, multiply the amount budgeted for buildings and land by the estimated percentage. This is the result to be entered. This amount is not part of "How are Funds to be Used" and will not be calculated in the "Total Proposed."

Title of Proposal	This field will become non-modifiable on research projects over $25,000 after an AD-416/417 is entered. All modifications to the Title will then have to be made on the AD-416. **Services Only** agreements do not have a Title.
Work to be Completed	Describe the type of work to be performed. This field is required for research agreements only. **NOTE:** For projects that are "*No Funds to ARS*," state "$xx,xxx from 'Source Company' administered through the 'University of xx'. Also state any additional investigators if applicable. Identifying the information in this field is necessary since the "Remarks" section is erased each time a new modification to the project is initiated.
Work to be Performed	This question is asking where will the work be performed that is being funded by money received by ARS. Options include: In-house - All work will be performed in-house by an ARS scientist; Extramural - All work will be performed extramurally by an outside organization (by means of an SCA, RSA, or contract); or Both - Part of the work will be performed in-house by an ARS scientist and part extramurally by an outside organization (using an SCA, RSA, or Contract).
Extramural Agreement Type	If *Work to be Performed* is designated as "Extramural" or "Both", Extramural Agreement Type must be entered. Options include: Specific Cooperative Agreement, Contract, Grant, RSA, or General Cooperative Agreement (used only at Baylor).
Deliverables	Describe the deliverables the Agency will provide the funding organization. This is a required field for research agreements. *Examples:* Production systems to manage crop pests; New germplasm line; Statistical analysis of.....; Education program on decision farming; Report of results of...., etc.

Principal Performing Organization	This field is required if "*Work to be Performed*" is designated as Extramural or Both. This field must be selected from the List of Values. Once the code is selected, the name and address of the organization will be automatically entered by the system. If the required code is not in the List of Values, contact your Area Program Analyst to establish one. If there is more than one Performing Organization, enter the one receiving the most funding and add the other one with the funding amount in the "If part or all of funds will be used for extramural research" field. NOTE: The Principal Performing Organization can **NEVER** by Agricultural Research Service. It must be the outside performing organization.
Extramural Amount	Enter the funding amount that will be given to the extramural Performing Organization designated. This field is only required if "*Work to be Performed*" is designated as Extramural or Both.
Reason for Extramural Research	This field is required only if "*Work to be Performed*" is designated as Extramural or Both. Describe the reason the work will have to be performed extramurally. **NOTE**: If more than one performing organization is receiving funding, they can be entered here. *Examples:* Research Support Agreement for services and salary costs; SCA with Southern University which has the expertise to ....; Project requires additional expertise in....... that is not available currently in the MU or ARS.
In-house Information	The related in-house project number must be selected from the List of Values provided. Once the project is selected, the title and accession number will be inserted by the system. Answer whether the proposed research relates directly to the in-house project chosen. If the answer is No, a description of why these funds should be solicited must be entered. If the answer is Yes, leave the description field blank.

SOI & STP Codes	These fields will be selected from SOI and STP codes from the related in-house project. Select up to 2 STP codes and up to 4 SOI codes from the lists provided. At least one SOI and one STP code is required.